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## Book Review: Laugesen & Gauld. Democratic Governance & Health: Hospitals, Politics and Health in New Zealand

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## Books

## Review

**Miriam J. Laugesen and Robin Gauld. *Democratic Governance and Health: Hospitals, Politics, and Health in New Zealand*. Dunedin, NZ: Otago University Press, 2012. 220 pp. \$40.00 paper.**

This book details in great depth the development of democratic governance and health policy in New Zealand. The introduction notes that it provides the first systematic analysis of New Zealand's elected health boards which are unique in terms of health system organization globally. There are calls internationally for research that addresses complexity as well as context in our understanding of large-scale health care reform (Best et al. 2012). This book provides this context through a unique perspective that plots the course of health policy, reform, and change over time in a specific national environment. Across Organisation for Economic Co-operation and Development (OECD) countries, significant change is occurring in the structure and focus of health care governance, including in the United States and the United Kingdom, but also in Ireland where "marketization" of health care is currently being promulgated. What is remarkable is that New Zealand, though a small country both physically and in population terms, has a strong presence and influence on the world stage in terms of health care reform. The significant market-type mechanism reforms of New Zealand's health system in the 1990s attracted a great deal of international attention as they represented a determined attempt to introduce a public-provider split and a "quasi" market into a health system that had not used these mechanisms before (McKevitt 1995; Gauld 2000). Less well known, however, has been New Zealand's approach to modify and roll back these reforms from the early 2000s onward, with a significantly re-structured health sector (Tenbensel, Mays, and Cumming 2011; Gauld 2015). Thus, when Laugesen and Gauld aver that this book contains valuable lessons for other countries interested in public participation in health care, the story that is plotted of key health care reforms and their development gives

us a unique evaluative perspective. It achieves this by providing a “realist” {AU: Are you citing a term from the book? Or questioning the legitimacy of the term *realist*? If the former, please give a page number. If the latter, please consider rephrasing, as the journal style discourages the use of scare quotes}view of the development of public participation in the health system through the use of extensive primary research and the authors’ experiences in the area of health care reform.{AU: Correct?} It provides not only lessons for the organization of democratic participation but also a detailed description of the history and waves of health care reform that New Zealand has undergone over the past decades. It is as stated, a realistic rather than an idealistic view, in acknowledging that often the realities of public participation fall short of expectations.

Many OECD countries are undergoing significant health care reorganization in recent times; much of it to increase efficiency and address economic concerns. Thus, the path of New Zealand’s health care reform is significant for a number of reasons, most notably that of its approach to governance and multi-stakeholder involvement, as well as the influence of the political environment within which it operates. In chapters 3 through 6 the book guides the reader through a very detailed journey of New Zealand’s health care organization, its health policy, and the influence of politics on the path to universal health care from the 1930s to the present. It outlines the key levers of change, but it also highlights how certain reforms succeeded when others failed (122). These chapters are preceded by a general introduction and a chapter outlining hospital governance in a comparative international context (35). The final three chapters outline the development of the district health boards with a concluding chapter drawing key lessons for policy makers. The book’s main thesis is that citizen voice is paramount, and the story is drawn of how local communities have rallied around to protect their health care institutions when threatened by central government rationalization (171). In order to do justice to the review, its contribution is addressed under three core headings

representing the structure of the book: patterns of development, government and the people, and key lessons learned.

### Patterns of Development

New Zealand is one of the countries that were among the first movers in introducing and implementing new public management reforms alongside the liberal market economies of Great Britain, Australia, and Canada. The market-type mechanism health care reforms in New Zealand's health system were of particular interest to the world in the 1990s. It captured the attention of many of those in public administration and management, including a delegation of Irish senior civil servants who visited New Zealand at the time (McKevitt 1995). They subsequently reported on their findings, which became the basis of a key strategic management initiative, later rebranded a "public service modernization programme" in Ireland. Similar patterns of organization, market-driven reforms and competition have been seen across Western OECD health care systems. However, as Laugesen and Gauld point out, it is the path dependence of institutional arrangements and policies in New Zealand's health system that are of particular interest to health policy analysts (11). **{AU: Please note the preceding two abbreviations in this paragraph have been deleted since they are not used again.}** Path dependency can be seen as policy change influenced by preexisting policy arrangements that are deeply embedded and where implementation is likely to be politically achievable if goals are acceptable to a range of stakeholders (11). This incrementalist-type policy change can be seen to have influenced the historical resilience and survival of the country's elected district health boards.

Public involvement is part of the democratic model that has dominated health governance in New Zealand. This has been protected historically where the health care system and supporting local opinion has remained opposed to the wresting of elections and control from local hospitals or health boards. This is a particularly interesting facet of New

Zealand health care, given the frequent restructuring and the ceding of local control in health care governance in other countries (13). The strength of local autonomy in the New Zealand case seems to have held sway over a considerable period of time. The authors analyze the different factors that have played a part in the maintenance of hospital boards and then the district health boards. The factor they found to have the most explanatory utility is that of symbolism; it has been difficult for government to argue against ideals and community values of democracy and care of the sick.

## **Governance and the People**

Apart from the persistence of this local democratic representation over a significant period of time, the method of governance itself is of increasing interest to the health care policy agenda. Public involvement has historically dominated health governance in New Zealand. Across OECD countries the jury is out as to how to fully realize public participation that is not tokenistic or controlled (Tritter and McCallum 2006). In New Zealand this democratic involvement has gained purchase and has continued to be built upon in more recent reforms. New Zealand has been seen to have benefited from path dependency over time through improved community services and collaboration. This has resulted in financing and institutional arrangements that play a crucial role in what can be achieved in primary care, whereas other health care systems may have a more difficult situation.

## **Key Lessons**

Context is crucial with regard to receptivity to change in health care reform (Pettigrew, Ferlie, and Lorna McKee 1992). The authors identify five key lessons that can be learned from the book that illustrate the relationship between New Zealand's unique political context and the development of its health policy. The first lesson is that of the evolution of the hospital boards historically and the influence of the early local arrangements set up by the original communities in the nineteenth century. These boards over time have encouraged

1 localized forms of governance that were retained in the face of central government  
 2 rationalization. The second lesson focuses on this community recalcitrance in the face of  
 3 challenges to control. The power of the hospital boards prevailed due to the strength of public  
 4 support. These elected boards were reinforced by their relationships to their hospitals and  
 5 their strong role in developing democratic representation. In the boards winning the “hearts  
 6 and minds” of the local populations, large-scale reform became more difficult (164).

7         The third lesson is that of the use of these elected boards by both officials and the  
 8 public to advance or debate ideologies and values. As the authors point out, health care  
 9 institutions not only respond to but also shape public opinion. The push to wrest control from  
 10 the boards when the “quasi-market” was introduced in the 1990s, was reversed in 1999–2000  
 11 with the reintroduction of elected boards. The boards themselves became the battlegrounds  
 12 where these ideological debates were played out, rather than at a national level (as in other  
 13 health care systems such as Ireland and the UK) where the concerns of both the health  
 14 professionals and the public can be overlooked. Though in such debates a balance needs to be  
 15 achieved between the idealized market of health insurance choices and the democratic ideal  
 16 of fairness for all. The fourth lesson questions how representation in health care can be  
 17 defined. The reality in the New Zealand case is that, though democratic representation of  
 18 district health boards is guarded closely, the low electoral turnout and limited engagement is  
 19 far from ideal (170). The fifth lesson is the most telling, in identifying the trade-offs between  
 20 representation and the system itself. After expounding the importance of democratic  
 21 representation throughout the book, the authors see the boards’ management of performance,  
 22 keeping within the hospital budget and planning around national health goals, to be lacking,  
 23 with an overriding focus on the needs of the locale to the detriment of the national  
 24 interest. **{AU: Please see that the changes in the preceding sentence preserve your**

**meaning.}** It is an interesting lesson to close the book with, given the focus throughout on the triumph of localism and representation.

## Conclusion

This book is an interesting story of health care reform for the people and influenced by the people, though at times it is a little detailed and dense. The one drawback as a story is the parochial focus on the district health boards and their reform within a political context with very little mention of the influences of the wider institutional system, including private providers and insurance companies. The authors conclude with a discussion regarding possible alternatives to the existing district health board model. They debate how the electoral model might be improved upon. However, they agree that the capacity to represent the individual voice must be preserved alongside mechanisms to provide leadership that aims for the highest level of consumer responsiveness.

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